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# Philanthropic Strategy Inspired by Resilience Thinking: the J.W. McConnell Family Foundation

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Illustrations courtesy of Ms Frances Westley, Waterloo Institute for Social Innovation and Resilience, University of Waterloo.

## WHY. From funding small-scale, time-limited projects to system-scale, complex challenges: one Foundation's evolution

### Ambitioning change and impact at national level

#### Introduction

What I will present is just one example. It is not a model for everybody to follow, as each foundation is different. But we all share some characteristics.

The J.W. McConnell Family Foundation is relatively large, in Canadian terms. Set up in 1937, it was a very traditional foundation, supporting projects in universities, hospitals and a variety of institutions. It started to change some 20 years ago.

The drivers were exactly the same as many other foundations. We had an obligation to spend money, normally through projects. We wanted to achieve some impact, see some results. We wanted to be relevant, to be dealing with issues that seemed to be important in the context of Canada. We wanted to use the advantages that foundations have, as opposed to other kinds of donors, the fact that we can look longer-term than most funders; we can take a higher level of risk. But, like all foundations, we also had some constraints: a particular history, institutions that expected funding from us, a board in our case comprised of family members not all particularly open to innovation, and so on.

When I came to lead the foundation, I had a background in international development activities in Asia and Africa. I was sceptical about the role of funders and in particular about the concept of "project" (project grants). A project is a way of packaging an idea so it could be funded, disconnected from the reality on the ground, because funders need boundaries to fund it (budget, time frame, etc.).

#### From local to national

The Foundation wanted to change and fund projects at the national level, a decision made by the board before I arrived. In a way that made sense, but on the other side it was much more abstract. What happens nationally? Things happen somewhere.

#### From sectoral to societal challenges: dealing with Change and the need to go beyond just 'managing' intractable problems in a new and more demanding environment

This led us asking how to have an impact on society, on economy? Actually, asking what are the issues Canadians are concerned about? In the 1990s, the answer was: **change**. We actually followed a similar approach to the one of the Resilience Compass, which we didn't have at the time because it didn't exist. The prospects were not good on the various dimensions of that Compass.

Looking at the state of the Canadian society and growing economic liberalism at the time, a lot of change was coming about: free trade economic agreement with USA (with unclear economic consequences); a movement towards sovereignty for Quebec with unclear political implications; a government that was trying to put public deficits under control, therefore cutting public services budgets. At the level of people (on the Compass), all this was resulting in that people were losing things

that they were valuing. There was a great sense of fear: the change was negatively perceived.

### **Our focus was social change, not resilience per se: helping Canadians to understand and act**

So the real question for us as foundation was: what do we do with this generalized sense of fear? Because if people fear the future, their logical response is to resist change, therefore not looking at new opportunities that change also provides.

The focus of the foundation was therefore **how do we help people to see the opportunity**, which this period of transition was creating. But operating under certain **principles**:

- **Asset-based** approach: start from strengths, not problems;
- **Releasing the latent potential of individuals, families and communities**: look for their capacities and try to strengthen those were there are weaknesses;
- **Reinforcing a 'sense of agency'**, which alters the notion of change where everybody is in control, where one can have the power to influence the direction of change;
- **System-change as a program design component**;
- See 'destruction' also as opportunity.

This has led us into deliberately looking for new approaches. We deliberately sought out where are the new ideas, where are the people who have got different ways of thinking about education, health or the environment. We will fund those innovative activities.

### **A strategic intent, but not a strategic *plan***

There was no strategic plan to do this. It was simply a kind of gradual process. The chain of causation was:

1. We focused on **change**.
2. We looked for supporting **new, innovative approaches to solving problems** because we were dealing with a new context, you can't just rely on traditional ways of working, traditional solutions.
3. We then moved to thinking about, having supported a lot of innovators and ideas, which are the patterns which emerge from this, what are the things that we can understand about the **process of innovation**, as opposed to just specific interventions.
4. And then the big challenge that all new thing is, how do you **sustain innovations**? We are all familiar with other projects that last for 3-4 years and then disappear.
5. And then connected to this idea of sustainability in time, our focus on **resilience** came as a logical step beyond that.

## Seeking new approaches to address old problems

ArtsSmarts/GénieArts:

An example of seeking new approaches to address old problems

*Re-imagining education, linking formal and informal systems of care.*

### **From institutional support to identifying and scaling innovative approaches; adopting a 'systems' lens to address causes not symptoms**

The J.W. McConnell Foundation used to have a very general arts program called "Support for young artists". I realized that we had actually no clear criteria and process to identify which artists deserve support. We therefore cancelled the program.

But the Foundation wanted to continue supporting the arts. So we did what is actually suggested by the *panarchy framework*: we talked to a lot of people: "what are the kinds of challenges facing the arts?". There are many: institutions aren't getting enough financial support; audiences are going to traditional forms of music/orchestra, etc. Having had this long consultation, we decided that there was one piece that was perhaps a lever that touched on many of the elements of what support for the arts could do. That had to do with young people and their opportunity to experience the arts. In Canada, schools used to offer programs for music and theater and so on to children. Through the '70ies and '80ies, a lot of these were cut because parents became more concerned with just basic literacy and numeracy. By 1995 almost no school had a program that offered children an opportunity to engage in the arts.

So we decided that is a **critical point**, because if young people do not understand what art is, what is its role in society, then there will not be audiences in the future.

But we do not want our funding to be only supporting orchestras or live theaters. We want to create a generation of people who actually believe in the role of arts and culture in society. We also knew that we could not rely on the old system because it had been there and was cut out of the school system for lack of money.

So we decided to introduce the arts in the schools with the objective of increasing short-term learning. It was the arts a way of improving learning outcomes, because the education system is not going to oppose some objective to make the system more effective. There was increasing research then demonstrating that children have an opportunity to learn in different ways than in traditional classrooms; actually they are learning better.

So we identified partners, we developed the program. But our assumption was, first of all we had to prove this was something that the schools wanted to do, prove the learning outcomes. Second, it should not only be the schools that we could afford to support. If this was to have an impact, and it was really valuable, then every child should have it. But we could not afford it to provide the program in every school.

So we designed the program to make sure that if it gets successful, it could be extended to all schools in Canada. It is now a national program that takes place in 80% of schools. Now the whole scheme is financially self-supported and the

Foundation doesn't fund it anymore. Nearly 500,000 students have taken part in ArtsSmarts since it began in 1998.

It was an approach that had not previously existed because it relied on bringing the artists into the school, having students do, not observe but actually engage in creating, themselves. And as we discovered there was a whole series of unanticipated consequences, in terms of students who were having difficulties at school becoming really engaged, having the opportunity to create something, making a different experience of what school was. That was particularly the case in aboriginal schools where they brought aboriginal artists into the schools and they were the only aboriginals in schools who represented some kind of authority.

More information:

<http://www.mcconnellfoundation.ca/en/programs/artssmarts>

<http://www.mcconnellfoundation.ca/fr/programs/artssmarts>

## Shift from established institutions to innovations

**Identifying social entrepreneurs and innovators to demonstrate the potential of alternative approaches; funding tested approaches (not pilots) to help them scale up; the importance of designing for sustainability in a financially constrained environment**

My point is simply the shift from a kind of institutional support, whether it be in education or in health -we did the same with health, moving from hospitals to looking at informal systems of care- or in the area of culture, where we moved from supporting institutions to supporting different ways of introducing the arts in the education system. The **shift was from looking at established institutions to looking at innovations**, and how that might impact the institutions and the system.

After 3-4 years what we found was that we were supporting 25-30 of these interesting innovative approaches across all fields. Some of them were quite small scale. The idea was to identify whom the social innovators were, who had an idea but real difficulties to find support.

## From innovative projects to patterns of social innovation

**Applied dissemination – identifying patterns, barriers and opportunities**

Now is where the issue of learning comes about: we did not know how ideas moved into initiatives that could then grow at a larger scale but we wanted to learn about it. And the best way to learn about it was to **bring social innovators together** for conversations.

It is easy to say, not easy to do, because we wanted to be part of that conversation, and it is not obvious for grantees to have an open conversation among them in front of funders, because actually the most interesting part of the story is what is not working, what has failed. The first challenge was therefore how do you create an environment where people trust you enough can talk about their failures in front of funder, and that it is OK. We allowed for a good learning process by allowing people to talk about their doubts without judgement.

Through this process of regular meetings bringing people together, every 6-9 months, we began to identify and **learn certain patterns about dissemination**, e.g. about:

- leaders' renewal,
- going to scale as a 'new beginning';
- advocacy and the policy context.

It was an interesting process because people were working in all different fields. We were interested in the process of innovating, more than contents of innovation.

### From 'growth' to 'impact'

What we first discovered was that **our way of thinking about impact and scale was unhelpful**. We thought about it like in the private sector: scale as "growth": bigger, more people involved. What we discovered by listening to people who were involved was that it is actually not about growth. It is about impact. And sometimes you have more impact when you stay small than when you grow, because there is a price to growth.

### Creating a learning community

Secondly, we discovered that the process of innovation was intensely long. People were **desperate** for the opportunity **to share** what they were involved in, because in every case it was an individual who had an idea or a conviction and who then made something happen by the force of personality. What they could not do was ever share that, because they were creating the confidence that could get funders give the money, convincing people to work with them, etc.

And so by bringing people together that had been going through the same process, we actually allowed for the beginnings of a very strong learning community, which actually became a very strong support. But the emotional dimension of what innovators go through is something that we used to ignore. People need the opportunity to talk over the challenges that they have, what they do, in a non-judgmental form.

So that was the next stage: not anymore about supporting innovative initiatives but **understanding what innovation is**. And this is where we needed to have some kind of **framework**, because people were experiencing different things but what they wanted was an understanding of the context. And that is how we came to the whole notion of **panarchy**.

### Searching for a conceptual framework: *panarchy (& adaptive cycles)*

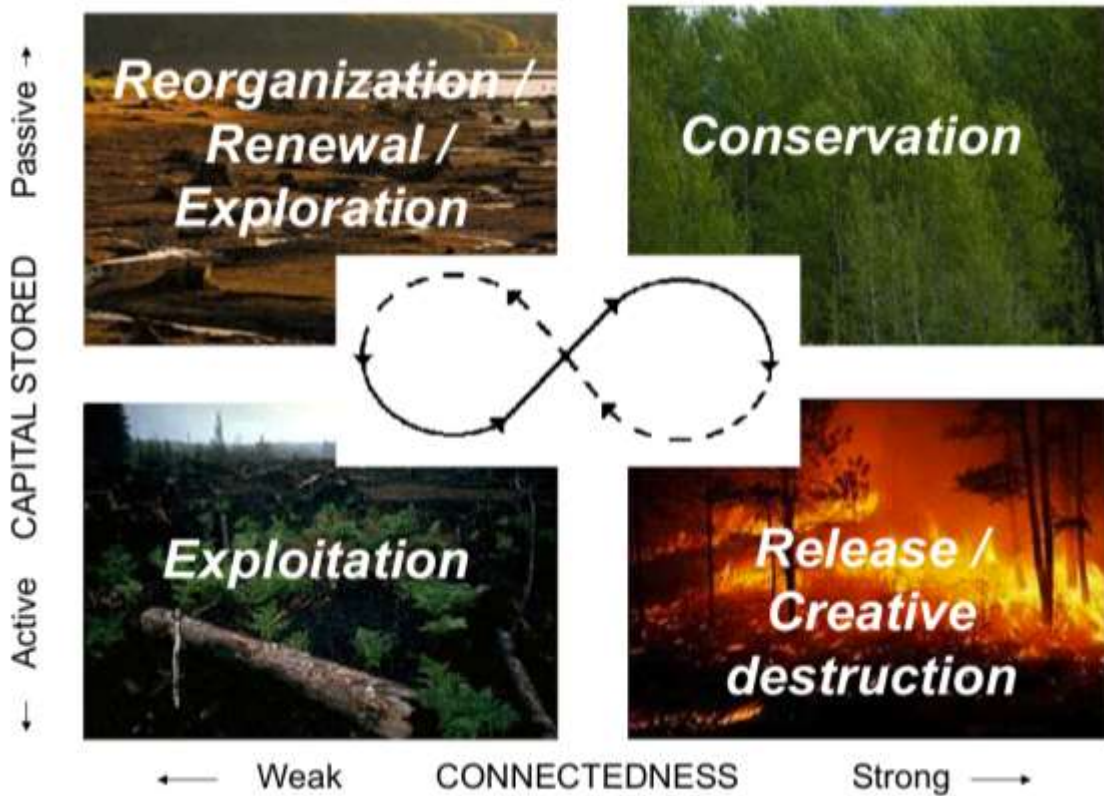
A *panarchy* is a model of linked, hierarchically arranged *adaptive cycles* that represents the cross-scale dynamic interactions among the levels of a system. It considers the interplay between change and persistence.<sup>2</sup>

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<sup>2</sup> Source: Resilience Alliance glossary.



The four stages of the adaptive cycle: illustration with the case of a forest



4 stages:

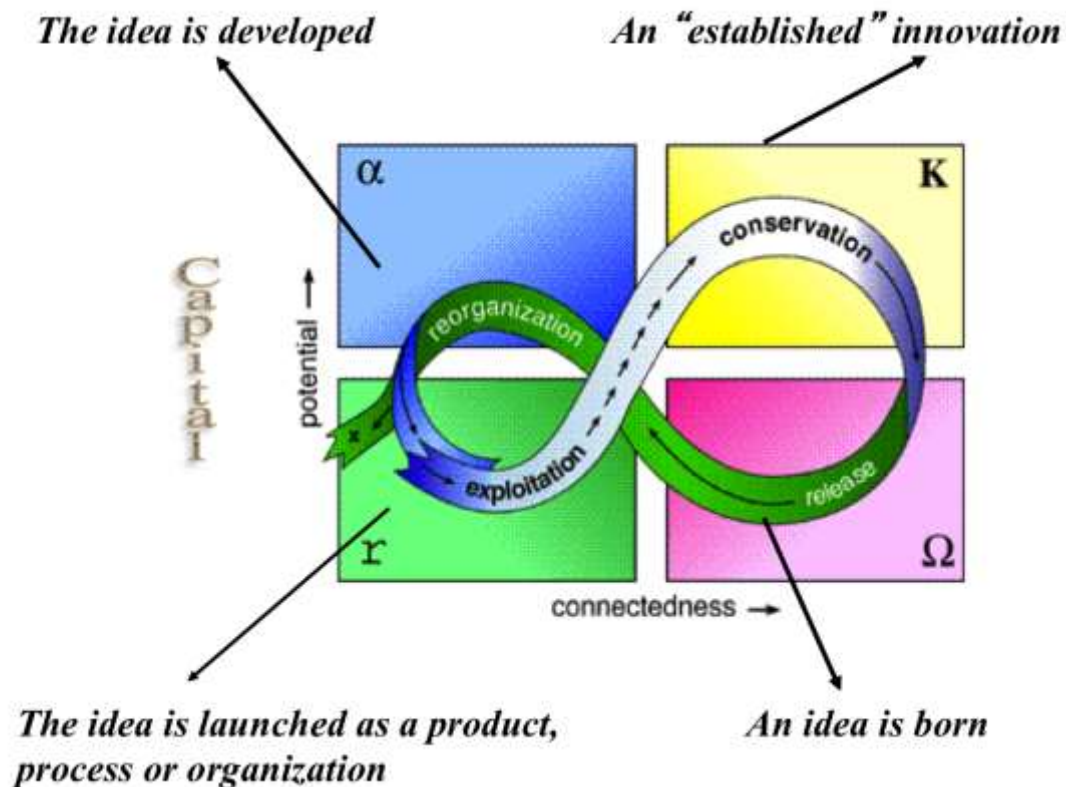
1. **Release (= creative destruction/collapse/"crisis"):**  
A forest fire destroys the forest, also releasing its energy.
2. **Reorganization (= renewal/exploration):**  
The forest system can reorganize as the system is colonized by different species. The seed bank in forest soil is a form of natural capital that allows the regeneration of certain plant species.
3. **Exploitation (= growth/consolidation/accumulation):**  
Period of explosive growth, when the potential of the system is released into the growth of new life forms. There is intense competition at the very beginning, but some organisms soon gain a stronger purchase than others and begin to grab increasingly greater proportion of the available energy (soil and sunlight). Bit by bit, some species dominate over others and as they grow stronger and fast, storing more potential energy in their structures, variety begins to decrease.
4. **Conservation (= locked in):**  
You end up with once again a complete forest. In a mature forest, some species of trees clearly dominate over others. If this is a tree farm, diversity is even less, as foresters and timber companies deliberately reduce variety for easy harvesting. According to Holling, the more the same the system is at this point, the greater the vulnerability to disturbances and likelihood of destruction as any pest, or catastrophe like fire can move relentlessly through the system, gaining momentum as it goes.

→ See Garry Peterson's presentation for a better explanation of the adaptive cycle.

## The adaptive cycle as a framework for social change

Most often, funders work in the area from exploitation to conservation: we are working at small projects that have just getting started and are under growth, or are working with programs that have long been established. They are comfortable here because the level of risk is less and because most of us want to be associated with success. Funders want to fund things that are working.

The *adaptive cycle* has helped the J.W. McConnell Foundation to understand the broader process of innovation in human systems:



## Panarchy: the relevance for grantees and for a funder

Different strategies can help navigating shifts between the quadrants ('psychosocial spaces').

### 1. Release (= creative destruction/collapse/"crisis"):

A "crisis" leads to the release of a lot of energy. There is recognition that there is a problem, but not what the solutions might be. This 'shock of creative destruction' is a period where there is a lot of uncertainty. It can be experienced as something frightening and stressful, or as an exciting time when things are released from their constraints, one is free to create anew.

- *Key pressures*: sensemaking and reconfiguration of resources.
- *Associated changes*: Breakdown of trust, networks and meanings. Deliberate or emergent "flight of capital" - energy, attention and capital moves away from established innovation. Increased sense of instability/freedom for invention. Confusion, lack of clarity, lack of direction. New ideas emerge, i.e. new ways of approaching a problem. Pirating ideas and resources, introduction of novelty.



- *People*: 'Visionaries', explorers. Those who thrive on crisis, on new beginnings and like uncertainty are happy here ("let us brainstorm/try everything"). Others may be depressed or in mourning.
- *Trap*: never going beyond lots of ideas; '**chronic disaster**' trap (all thinking and actions locked up in 'crisis management' mode).
- *Foundations strategy*: **plan for transitions and alternatives, harvesting knowledge**. Avoid the above traps.
- *Evaluation challenge*: Harvesting Knowledge, for renewed sensemaking.

## 2. Reorganization (= renewal/exploration):

Ideas get further developed and tested (pilots). In human organizations, this is often experienced as a time of maximum chaos. There seems to be lots of rushing around with very little output... it seems as if it is confusing and nothing is really happening, but in fact numerous small experiments are being carried out, experiments which help the organization or individual to find a new sense of direction. At a certain point there is a clear funnelling of opportunities. E.g. small new initiatives related to food security, agriculture. Various forms of capital (e.g., natural capital, financial capital, infrastructure, human capital such as education, and social capacity such as trust and networks) that are built up during the growth and conservation phases are critical in determining the system's resilience and adaptability.

- *Key pressures*: resource (funds, time, energy, attention, skill) availability, low connectivity, time pressure.
- *Associated changes*: reflection and ideas moving to experimentation, taking form as projects, lots of false starts, multiple "random walks", experiments, initiatives which lead to little in the way of measurable outcomes. Mounting anxiety about inputs/outputs ratios.
- *People*: people who learn by doing are happy here. Others may feel increasingly anxious about waste of time or directionless. Visionaries start to have difficulties because once you start to do things their vision, initially so clear, gets less pure.
- *Trap*: **getting stuck in 'paralysis by analysis'** and in the '**poverty trap**': due to the scarcity of resources, projects remain stuck as 'pilots' and cannot achieve scale.
- *Foundations strategy*: **encouraging exploration (competitions, open calls, small grants), random walks, listening**. Avoid the above traps.
- *Evaluation challenge*: 'Developmental Evaluation': understanding exploration and expecting transparent accounts.

## 3. Exploitation (= growth/consolidation/accumulation):

Start-up phase: choose, try out and support new winners.

The exploitation phase is one of explosive growth.

- *Key pressures*: demand for delivery and productivity.
- *Associated changes*: the dynamic of start-up. High excitement as the initiative takes form. Communication is still highly personal, roles flexible, integration through mutual adjustment. With success and time, there is increasing need for organizing *systems* (communication, control, accounting), job definition and regulation.

- *People*: Team-builders and the action oriented come into their own. Conceptualizers may feel a little uncomfortable.
- *Trap*: avoid the 'charismatic trap', when founders cannot give up control or staff is dependent on founder's charisma, and the original effectiveness was heavily dependant on the charisma and commitment of the original innovators.
- *Foundations*: Because ideas now take the form of projects or program, there is a solid budget, they can be submitted to a foundation for 'taking off' and consolidation. Avoid the above trap.
- *Evaluation challenge*: 'Formative Evaluation': providing timely data for adjustment.

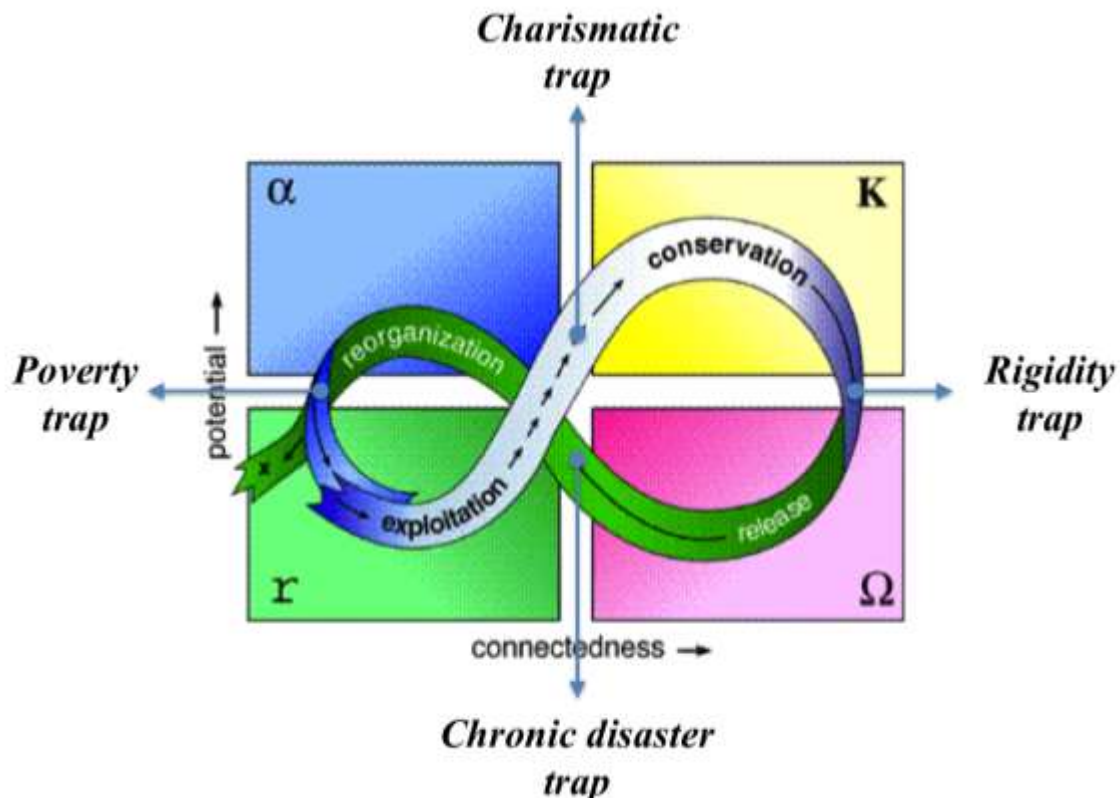
#### 4. Conservation (= locked in):

Increase scale and efficiency, dominate, conservation mindset. Innovations end up in established programs.

- *Key pressures*: standardisation of rules and procedures, demand for product.
- *Associated changes*: a time of measurable returns and performance. Increased demands for reliability and productivity. Increased reliance on systems for monitoring and rewarding efficiency.
- *People*: Good managers/bureaucrats prevail, people who are good at managing, who like regularity and standardisation. Visionaries gets pushed out, step aside or move on. Or they do not get pushed out and either adapt or actually impairs the development/conservation of the initiative.
- *Trap*: **dangers of success (loss of responsiveness to new challenges and ideas)** and the 'stick to your core business' or **rigidity trap**.
- *Foundations*: this is where a lot of foundations end up being most supportive, funding **mature programs**. Avoid the above traps.
- *Evaluation challenge*: 'Summative Evaluation' (classical evaluation): has the innovation accomplished its objectives?

## Transition traps and challenges

The movement from one phase to the next is known as “critical transition” and represents a difficult passage when many innovations get “trapped”. Visualising the transition traps:



Panarchy, sustainability and resilience for grantees and for a foundation:  
balanced investments; ensuring space for innovation; capacities and skills;  
diverse funding streams, including impact investments

The J.W. McConnell Foundation uses this adaptive cycle framework. We have actually looked at our programs and asked ourselves: “where are our grantees?”, “who are we supporting in each of the four areas?”. Because, for us as a foundation, we should be resilient in terms of having a presence in each of these quadrants:

1. People looking for new ideas,
2. People who convert them to concrete results,
3. People who scale them up,
4. Established innovations.

If we were only funding things in the “conservation” phase, which is the case for a lot of funders, if there is a shift in the environment, if circumstances change so that the program is no longer successful or relevant, we would lose the bulk of our program activities. So we need to be looking for (lots of) new ideas at the same time as we are supporting established institutions. We need to be supporting a variety of people who are beginning to test whether what they are thinking of is actually feasible, knowing that the risk is high that a number of them will fail along the way, as well as the ones who are at the point of launching their ideas as a program.

We placed our grants on this ‘grid’ to see what pattern emerges. We discovered that we were funding far too many interesting ideas, with the risk that they do not end up in viable programs having impact. We wanted a better balance.

We also looked at the organizations that we were funding and asked them: “where are your activities?”. If they were only in one area, they were extremely vulnerable.

### Example

As an example, over the last years, most of the organizations working in international development in Canada have depended on government matching funds, after 25 years of successful relationship with the government. Nobody was looking in the other phases of the adaptive cycle. The decision of the current government to cut this support makes that all of them are likely to be in a bad crisis.

Over-concentration in one area makes organizations extremely vulnerable to an external shock, even though that shock was predictable.

Organizations should be ware of the “poverty trap”, when they just have lots of ideas but nobody is funding them because they are not developed enough.

How big an organization has to be in order to be involved in all 4 areas? The key point is rather: are we sufficiently connected to other organizations, so that there are sources of new ideas in the network that we are part of? When you look not only at one organization, but at organizations engaged in various types of networks, the question is: is there sufficient diversification, to have that resilience in the way they are operating?

This also applies to foundations that decide deliberately that they do not have the resources to invest in all quadrants, not only to grantees. How foundations work with other organizations and funders to cover/learn from the four quadrants, collectively.

### Use appropriate evaluation methodologies at each stage

A last point: in each of these phases, there is a different approach to evaluation.

We often use classic evaluation approaches. The classic approach is appropriate in the growth phase, from ‘exploitation’ to ‘conservation’.

But most classic evaluation approaches close down innovations. Because we are looking for evidences of results too early, asking what has been done/accomplished, not leaving open the possibility for things that emerge and that were never anticipated. And closing funding if output do not match expectations.

For these phases we have to use different kinds of evaluations which are much more open-ended. There is a whole literature around **user-focused evaluation**, **Developmental Evaluation**<sup>3</sup>, etc. which is not about reaching anticipated results on

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<sup>3</sup> **Developmental Evaluation** is an approach originally developed by Michael Queen Patten. Developmental Evaluation (DE) draws on insights about complex dynamic systems, uncertainty, nonlinearity, and emergence and can be used for a range of purposes: ongoing program development, adapting effective principles of practice to local contexts, generating innovations and taking them to scale, and facilitating rapid response in crisis situations. DE provides essential guidance for making evaluations useful, practical, and credible in support

the budget that was given, in the time frame that was specified, but instead: “do we understand the process under way?”. It is like looking back and say: “what are the decisions that were taken, what were the opportunities?”. It is important not to use a rigid evaluation framework at a time when what you try to do is actually encouraging new thinking and new approaches.

### **Time scale of innovations and engaging with grantees**

The adaptive cycle reminds us that true innovations take time to transform and take root. Hence foundations should question the usual time frame used when engaging with grantees.

Foundations push innovative initiatives into the poverty trap when they rigidly fund it for a short period of time, withdrawing funding to supposedly avoid ‘dependency’. Such policy can result in inadequate time and resources to demonstrate the effectiveness (or even the ineffectiveness) of a significant innovation.

The J.W. McConnell Foundation moved away from the usual 2-3 years time frame and now typically accompanies complex initiatives for a minimum of 10 years. It is important that a foundation’s board support this strategy.

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of social change.

See also “*Michael Quinn Patton, 2011, Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use, Guilford Press, 375 p.*” ([Preview available](#))

## Illustrating the adaptive cycle: one grantee's move from service delivery to system transformation (P.L.A.N.)

### From responding to a need to seeking impact: systemic focus, policy innovation; intra-preneurship as an indispensable skill

Many funders are working at local scale. However we are talking about impact at the level of a system. Here is an example of one organisation that went through that transition, with the J.W. McConnell Foundation support: PLAN.

#### PLAN as a case study

PLAN (*Planned Lifetime Advocacy Network*; <http://plan.ca>) is an organization based in Vancouver. They had a brilliant idea.

The problem identified was: many families who had a child with severe disabilities were concerned about the future quality of care of their children when they would no longer be there to provide it.

As a NGO, they came with a solution that was in essence to create a network around the individual with disability, which looked at all the assets of the family (financial assets, friends, networks of support, etc.), creating a plan around that person to ensure that when parents die, the resources could be used to maintain a similar quality of care.

The project grew very successful. J.W. McConnell Foundation engaged with them to scale this up across the country and therefore answer to growing expectations about it. Classic aim for a foundation. We funded them to increase their activities.

We discovered that this was the wrong model. Scaling it up actually undermines the effectiveness of the program, because it depended so heavily on personal trust. Trust could be maintained at the local level, but could not be guaranteed across Canada.

At that point, the question was: what is the system-level problem that we are trying to address, and the related intervention that could affect tens of thousands of people?, ... rather than shrinking back to local communities or do what a business would do: franchising the idea, engage in other ways of dissemination of the support provided by this NGO.

PLAN reformulated the issue. It was not anymore the support provided for a few individuals. The issue is the fact that the system forces people to be dependant before support can be provided. In other words, there is no government funding until you have exhausted all your and your relatives' resources. The challenge is around the isolation of these individuals and their related vulnerability.

How do we address that? By allowing them to accumulate assets, rather than by moving the assets they have. So, innovation was really at the level of government policy, to create a form of sheltered fund, to put money on an account which then was protected from taxation and could accumulate over time and grow with government support, so that by the time parents die there was substantial sum of



money available to maintain support.

It had many implications (taxation policy, welfare policy, etc.) but it was actually changing the system. It completely changed the perception of this group of individuals. Vulnerable people with low resources became perceived as people with significant assets. It also created a market for banks and money managers, etc. What it reveals is that you can move from a service-orientation, which is what most of us engage with organisations and communities, to a system-level approach. If you want to have an impact upon thousands of people, you have to switch scale, rather than disseminating the service.

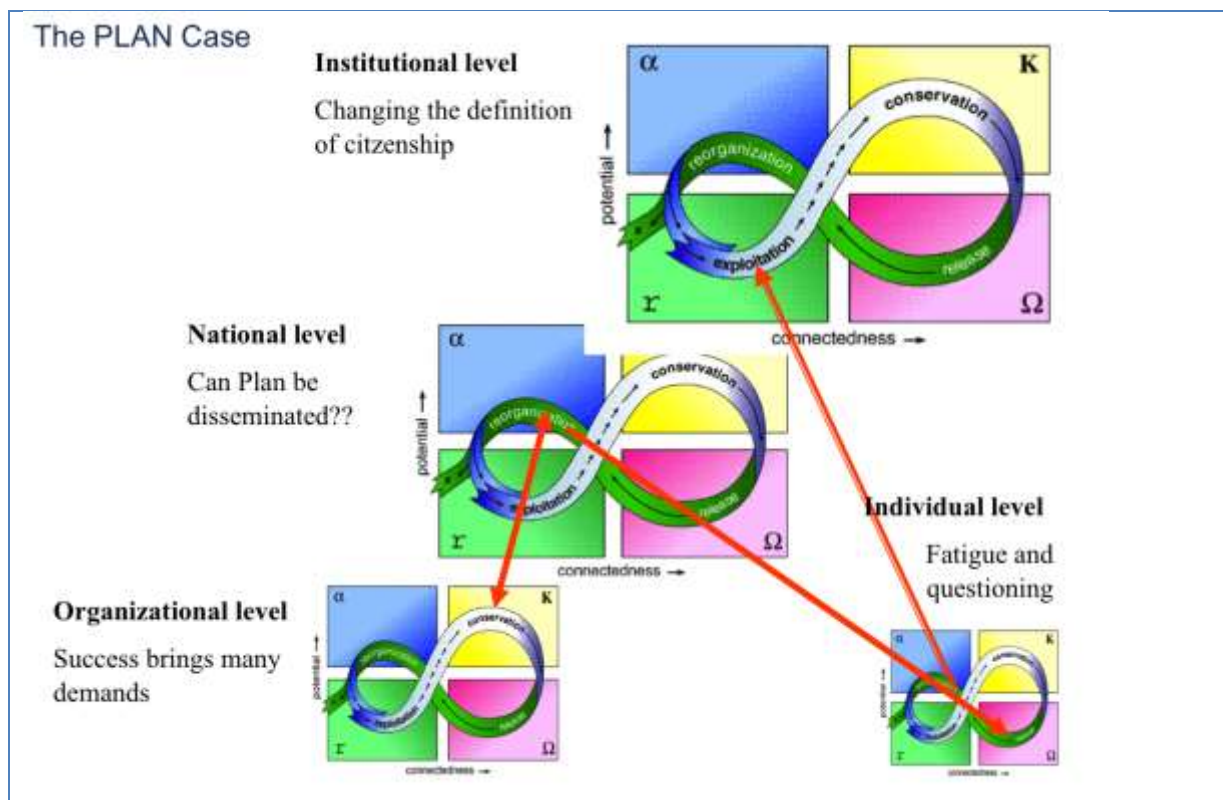
Across the adaptive cycle:

1. Problem: lots of vulnerable people, what to do to help them?;
2. Lots of services that could be provided, initiatives to support individuals with disabilities;
3. A specific approach grew...
4. ... And became extremely successful

Then **instead of crashing, the initiative went up at a different scale.**

Key lesson: Moving at another scale is experienced as starting all over again. People who have a successful program do not expect at that point to run the risk again of failure. A failure that could have realised: government could have refused to adapt the rules, the banks might have refused to create these registered savings plans, lots of things could have gone wrong. Innovators were not prepared for the possibility that they were moving from success to a different environment where there was again the risk of failure.

By sharing the adaptive cycle and panarchy framework, people began to understand that this is not a personal failure. This is a kind of dynamic which we have to be aware of.



## Further resources and references

On developmental evaluation:

[A Developmental Evaluation Primer](#). Jamie A.A. Gamble. The J.W. McConnell Family Foundation

Introduces the concept of developmental evaluation to potential users and provides some tools to support its use.

Version française : [ABC de l'évaluation évolutive](#)

Présente le concept d'évaluation évolutive aux personnes qui voudraient l'utiliser et leur offre quelques outils pratiques.

On scaling up and sustaining social innovation, and the role of philanthropy:

[Accelerating our Impact: Philanthropy, Innovation and Social Change](#)  
Katharine A. Pearson, Director, Social Innovation Generation @ McConnell. The J.W. McConnell Family Foundation

Contributes to an emerging body of knowledge and reflective practice on the role of funders in supporting innovation and social change.

Version française : [Accélérer notre impact : philanthropie, innovation et changement social](#)

Contribuer à un bloc de connaissances et à une pratique réflexive émergents sur le rôle des organismes subventionnaires dans le soutien à l'innovation et au changement social.

## WHAT. Building an ecosystem to support resilience

### Social Innovation Generation – a multi-sector collaboration to effect system-level change

#### *Why SIG?* The need, and difficulty, of collaborating

The challenge is the crisis and how we respond to it. Over the last 5 years, it became increasingly apparent that we are facing enormous global challenges.

It is impossible to predict what they are going to be or when we will have to deal with the effects. But it is clear that our institutions are not ready for this, too rigid.



In 2006, the J.W. McConnell Foundation has set itself an ambitious goal: trying to **create a culture of social innovation** in Canada. It first acknowledged that it did not have the resources to do this alone. It had money and to some extent knowledge. Money was not sufficient; it is a facilitator, but not the solution.

We needed to build a much stronger and diverse partnership, bringing in academic capacity (University of Waterloo) as well as contacts with private businesses and with the government (which we did not have previously, so we created partnerships with organisations which work very closely with businesses and governments). And we needed citizen's organizations from the community that were aware of changes in perspectives (such as PLAN, previously described).

At the time, there were lots of conversations on innovation. Most of them were around scientific, technological and to some extent business innovations. There were very little about social innovation in any depth (that is less the case today).

#### Sustainability & resilience: system-level change (social finance; research and training; co-creating public policy)

**Results of each of the nodes: Social Finance, Innoweave, Resilience Graduate Diploma, B.C. Social Enterprise Council, MaRS Solutions Lab, public policy influence, etc.**

We basically looked at different building blocks of creating a society more open to social innovation and therefore more resilient:

#### **1/ Financial sustainability: social finance, impact investing, shared value**

One challenge was **'how do we make more resources available to invest in innovation?'**, 'how do we break away from the reliance on philanthropic resources (limited) and government grants (less available) while the need to invest in new ideas is growing?

We had to break out of the traditional way of funding social innovation, which lead us in a whole area of work called Social Finance: developing pools of money which can be invested in activities that have an actual return as well as social and environmental benefits.

This depends on local conditions. In USA, in UK they are ways ahead in terms of the liberty to build up pools of capital that be invested in things that are beneficial to the

community. In Canada, we have very strong constraints on our endowment and so there is a process of policy change required. But the idea is that it is something that we need: most resources are in private hands, and their access should be opened up in order to get public value.

## **2/ Organizational sustainability**

A second piece around developing a culture of social innovation is 'how do we provide training?'. There will always be social entrepreneurs who struggle to create something new, but we make it very difficult for them. How to make it easier for them, how to give them access to relevant tools (financial, intellectual, networks) that encourage more social entrepreneurship?

Part of that issue is how do we engage with the public sector, change the way it operates in a very controlling, top-down fashion. How to open that up so that the policy becomes co-created by public institutions, with very strong engagement of citizens?

## **3/ Community sustainability; 4/ Link between formal and informal systems**

### **Lessons learned**

We started with a goal that was almost ridiculously ambitious: creating a culture of social innovation, what does that mean? And we (the foundation and its partners) have come ways beyond what we anticipated.

This is part inspired by that adaptive cycle process: looking where are the opportunities, where are the points of leverage, what is the right timing? This was not a planning exercise. We agreed that the time is ripe because the shortcomings of our institutions are becoming increasingly evident to people, but we don't have the clear alternatives in sufficient numbers or sufficiently tested and robust to be able to say 'there is a better way of working'. We are not able to force that transition but we want to be ready for when the tipping points come.

Each of the pieces of the partnership that we call *Social Innovation Generation (SiG)* now has its own stream of activities. The partnership itself will probably dissolve in a year or two, because we do not need it anymore, the process is under way and does not require the support of the foundation at this point.

So the focus is on system-level change. That means working with people that we would not have thought of working with 10 years ago: the business community, a government that we don't like, etc. We had to find the areas where we can work together because that is the only way we can have an impact on the system as a whole.

More information:

<http://www.mcconnellfoundation.ca/en/programs/social-innovation-generation>

<http://www.mcconnellfoundation.ca/fr/programs/social-innovation-generation>

<http://sigknowledgehub.com/>

<http://sig.uwaterloo.ca/>

**The building blocks of resilience: collaboration, diversity, vulnerability, networks/connectivity, feedback/learning**

## Lessons from McConnell's experience (so far): 10 principles

- 1. Be comfortable with uncertainty**  
Accept to work with a certain level of uncertainty. And that includes your board. It is not easy.
- 2. Be realistic about own and others' risk tolerance**  
Be realistic about your own tolerance for risk, and the one of people you are working with. Although in theory foundations should be more open than others to take new risks, the reality is that many foundations are much risk-averse and likely to support established organizations.  
People applying to our proposals cost resources (time, money...) for initiatives that may not be funded. The cost (and risk) of doing that is left entirely to the applicants. Actually we could share the cost of applying to our calls.
- 3. Diversify granting across the areas of the adaptive cycle framework**  
Don't over emphasize one aspect of it.
- 4. Look for, encourage and support deliberately diversity**  
New ideas never come from groups of similar people talking to each other. Deliberately go for diversity, strengthen it.  
The diversity involved here is about involving "powerful strangers". Powerful in the sense that we cannot achieve our objectives without them. Strangers because they are not people you normally (want to) talk to: those who disagree with us, who share different assumptions. Let's engage in a conversation with e.g. large businesses.
- 5. Enlist different resources and kinds of knowledge**
- 6. Look for innovation at the margins/vulnerable people**  
It is there that innovations take place, when involving people affected by the problems. E.g.: if you are dealing with an issue of homelessness without homeless people, you are not dealing with the problem.
- 7. Combine theory and practice**  
Social innovators benefit from a conceptual framework to make sense of their own experiences, to understand the problem before looking for solutions.
- 8. Create funding collaboratives**  
Different co-funding. It involves engaging with other funders to try to have a more collective understanding of the problems and develop common approaches and learning. The cofinancing is the technique that comes afterwards, if we agree on what to fund.
- 9. Don't ignore policy change**  
You have to engage with formal decision-making authorities/governments if you want to be effective at systemic level, although many foundations are reluctant to do it as they find it questionable.
- 10. Never assume money = knowledge**  
In many cases money is a disadvantage because they assume that if they have money they can have the solution.